



United States Department of the Interior

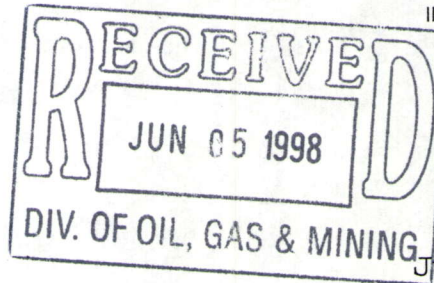
BUREAU OF LAND MANAGEMENT
HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North
Fillmore, UT 84631



5/027/024

CERTIFIED MAIL # Z 432 442 590
RETURN RECEIPT REQUESTED



IN REPLY REFER TO:
3800
(U-055)
UTU-070660

June 2, 1998

DAVE PENNEY
PENNEY'S GEMSTONES
PO BOX 312
BEAVER UT 85713

Dear Mr. Penney:

On March 20 and May 7, 1998, surface compliance inspections were conducted at the sites of your mining notice, UTU-070660. The inspections took place on the Emperial Jasper claims, located in Section 4, T. 25 S., R. 8 W., and on the Flint and Black Spot claims in Section 14, T. 24 S., R. 9 W.

Our records indicate that all of these claims have been abandoned, however the inspections revealed that recent activity has taken place at the Emperial Jasper site. A track-hoe has enlarged the already existing disturbance at the site.

No recent activity has taken place at the Flint and Black Spot claims, however, there is a substantial amount of unreclaimed disturbance at the site. Tom Munson of the Utah Division of Oil, Gas and Mining accompanied BLM personnel at this inspection, and according to his recollection of what you told him during a 1996 inspection, much of this disturbance was created by you.

Our records indicate that you have not updated your mining activities with us since December, 1993. Your Notice is no longer accurate, as the mining claim information is out-dated. You are required to either submit a new Notice, which describes in detail all outstanding reclamation within the Warm Springs Resource Area (Millard County) for which you are liable, or you must conduct the reclamation. We will allow 30 days from the receipt of this letter for you to comply with either of the requirements. Failure to meet the time-frame outlined above will result in the issuance of a Notice of Noncompliance.

A Notice form and some maps are enclosed for your convenience.
If you have any questions, please feel free to contact Sheri
Wysong at (435)743-3125.

Sincerely,



Rex Rowley
Area Manager

Enclosures

As stated above

cc: Richard Low, PO Box 159, Parowan, UT 84761
Wayne Hedberg, UDOGM (S/027/024)